

Instructions for Title Insurance Company Data Call California Department of Insurance

August 22, 2005 Revised September 15, 2005

General Instructions

Please provide the information requested in the specified format by the following due dates:

By no later than **October 21, 2005:** Supplemental Information to Tables 4, 6 and 7

By no later than **December 8, 2005:** Tables 1 through 7

Please review the attached questions and answers regarding the data call. These questions and answers are the result of considerable discussion between the Department and interested parties and will help you respond to the data call in an accurate and timely manner. The questions and answers itemize all changes to the data call and reporting instructions.

Please submit your response in spreadsheet files using the templates provided by the Department. If your responses to the request for Tables 4 and 6 require more rows or records than fit into a spreadsheet, please submit these Tables in either a Microsoft Access-compatible database or a comma-delimited text file. Comma-delimited text file means that each record is a separate row and each data element is separated (delimited) by a comma. Text entries are identified with quotation marks. If submitting Tables 4 and 6 as either a database or text file, please use the layout for the Tables 4 and 6 spreadsheet templates provided by the Department.

If possible, please submit the supplemental information in electronic format as a spreadsheet file, Adobe PDF file, Microsoft Word-compatible file or text file format. You may submit the supplemental information in paper format.

The Department prefers to receive your response via e-mail with attachments. If you e-mail the requested information, please use the following e-mail address: rsb@insurance.ca.gov. If you e-mail your submission, the Department will confirm receipt by e-mail.

You may mail your responses on a CD-ROM to the Rate Specialist Bureau at the address below.

The mailing address is:

Rate Specialist Bureau
California Department of Insurance
300 S. Spring Street, South Tower, 14th Floor
Los Angeles, CA 90013

If you have questions about the data call, please submit the questions by e-mail using the same e-mail address rsb@insurance.ca.gov for submissions. The Department will post the complete data call documents on its web site at the following address:

<http://www.insurance.ca.gov/>

Information Requested

TI - Table 1: American Land Title Association (ALTA) Uniform Financial Reporting Form Balance Sheet Summary

Using the provided spreadsheet templates, provide a report of year-end 2004 assets and liabilities using the forms and instructions contained in the ALTA Uniform Financial Reporting Plan to report your data. Each title insurance company shall submit a separate Table 1 based on the assets and liabilities of the insurance company. Do not consolidate the assets and liabilities of other affiliates into this report.

TI - Table 2: American Land Title Association (ALTA) Uniform Financial Reporting Form Income and Expense Summary

Using the provided spreadsheet templates, provide a report of year-end 2004 income from operations and investments and their related expenses using the forms and instructions contained in the ALTA Uniform Financial Reporting Plan to report your data. Each title insurance company shall submit a separate Table 2 based on the income and expenses of the insurance company. Do not consolidate the income and expenses of other affiliates into this report.

TI - Table 3: Detailed California Income Statement for 2004

Using the provided spreadsheet template, provide a report of income and expenses for California business in 2004. Each title insurance company shall submit a separate Table 3 based on the income and expenses of the insurance company. Do not consolidate the income and expense of other affiliates into this report. Do not report investment income or expenses associated with investment income in this table. Those amounts are reported in Table 2.

TI - Table 4: List of Policies

Using the provided spreadsheet template, provide a report of each title insurance policy issued by your title insurance company in California in 2004. If you do not have a particular data element available in your policy databases, leave that column blank (empty) for that policy. Please provide as much of the requested information as you have available in your claims databases. If you have summary reports of some of the data elements which you are unable to provide in Table 4, please provide those summary reports to the Department by October 21, 2005.

Column 1:	Name of Title Insurance Company	Report the complete name of the title insurance company.
Column 2:	Direct, Affiliated or Non-Affiliated	Report 1 if the policy was sold directly; 2 if sold through an affiliated underwritten title company; and 3 if sold through a non-affiliated underwritten title company.
Column 3:	Name of UTC	Report the name of the affiliated or non-affiliated underwritten title company involved in the policy issuance. Leave blank for direct business.
Column 4:	Date Policy Issued	Report the date the policy was issued in YYYYMMDD format. For example, report May 15, 2005 as "20050515" without the quotation marks.
Column 5:	Type of Title Order Transaction	Report 1 for a new home sale other than in a subdivision or any residential resale; 2 for a new home sale only in a subdivision; 3 for a residential refinance; 4 for any other residential transaction; and 5 for all commercial and industrial activity.
Column 6:	Type of Policy	Report 1 if an owners policy issued concurrently with a lenders policy; 2 if a lenders policy issued concurrently with an owners policy; 3 if an owners policy issued <u>without</u> an accompanying lenders policy; 4 if a lenders policy issued <u>without</u> an accompanying owners policy and 5 for all other types of policies.
Column 7:	Type of Policy Form	Report the type of policy form. Include the following information – ALTA or CLTA; standard or expanded; owners or lenders; year policy form first available; or other description as necessary. For example, "CLTA standard owners 1990."
Column 8:	Amount of Insurance	Report the amount of insurance on the policy. Report the amount without comma or dollar signs. For example, report a liability of \$542,000 as "542000" without the quotation marks.
Column 9:	Premium Amount	Report the gross title premium for the policy less any amounts for endorsements.

Column 10:	Endorsement 1	If the policy was sold with an endorsement, report the number or code of the endorsement. Report separately, as described in supplemental information for Table 4, a list of endorsements used by number or code with the names and descriptions of the endorsements.
Column 11:	Endorsement 1 Premium	Report the gross premium charge for endorsement 1.
Column 12:	Endorsement 2	If the policy was sold with a second endorsement, report the number or code of the second endorsement. Report separately, as described in supplemental information for Table 4, a list of endorsements used by number or code with the names and descriptions of the endorsements.
Column 13:	Endorsement 2 Premium	Report the gross premium charge for endorsement 2.
Column 14:	Endorsement 3	If the policy was sold with a third endorsement, report the number or code of the third endorsement. Report separately, as described in supplemental information for Table 4, a list of endorsements used by number or code with the names and descriptions of the endorsements.
Column 15:	Endorsement 3 Premium	Report the gross premium charge for endorsement 3.
Column 16:	Endorsement 4	If the policy was sold with a fourth endorsement, report the number or code of the fourth endorsement. Report separately, as described in supplemental information for Table 4, a list of endorsements used by number or code with the names and descriptions of the endorsements.
Column 17:	Endorsement 4 Premium	Report the gross premium charge for endorsement 4.
Column 18:	Endorsement 5	If the policy was sold with a fifth endorsement, report the number or code of the fifth endorsement. Report separately, as described in supplemental information for Table 4, a list of endorsements used by number or code with the names and descriptions of the endorsements.
Column 19:	Endorsement 5 Premium	Report the gross premium charge for endorsement 5.

Supplemental Information for Table 4:

1. Please provide a list of all title insurance policy endorsements used in 2004 with the number or code of the endorsement, the name of the endorsement and a brief description of the endorsement.
2. If you have summary reports of some of the data elements which you are unable to provide in Table 4, please provide those summary reports of 2004 California policies.

TI - Table 5: Title Insurance Claims by Year in California

Using the provided spreadsheet template, provide a summary report of premium, exposure and claims by year from 1980 through 2004. The table asks for both calendar year and policy year loss information. Please report as much California-specific data as you have available. The Department understands that some title insurance companies may not have all data elements for all years.

Column 1:	Name of Title Insurance Company	Report the complete name of the title insurance company.
Column 2:	Year	Report the year.
Column 3:	Gross Written Title Premiums	Report the gross written title insurance premiums for the year stated in Column 2.
Column 4:	Gross Earned Title Premiums	Report the gross earned title insurance premiums for the year stated in Column 2.
Column 5:	Amount of Insurance	Report the total amount of insurance on policies issued in the year stated in Column 2. Report the amount without comma or dollar signs. For example, report a total amount of insurance of \$1,234,567,890 as "1234567890" without the quotation marks.
Column 6:	Claims Paid During Year	Report the total dollar amount of net claims paid <u>during</u> the year stated in Column 2 regardless of when the policy was issued. These are calendar year losses for the year stated in Column 2. Report claims net of recoveries from underwritten title companies, reinsurance or other source.
Column 6A:	Loss Adjustment Expenses Paid During Year	Report the total dollar amount of loss adjustment expenses paid <u>during</u> the year stated in Column 2 regardless of when the policy was issued. These are calendar year loss adjustment expenses for the year stated in Column 2. Report loss adjustment expenses net of recoveries from underwritten title companies, reinsurance or other sources.

Column 7:	Claims Paid For Policy Year	Report the total dollar amount of claims paid only for policies <u>issued</u> in the year stated in Column 2 as of 12/31/2004. These are policy year losses for the year stated in Column 2, evaluated as of 12/31/2004. Report claims net of recoveries from underwritten title companies, reinsurance or other sources.
Column 7A:	Loss Adjustment Expenses Paid For Policy Year	Report the total dollar amount of loss adjustment expenses paid only for policies <u>issued</u> in the year stated in Column 2 as of 12/31/2004. These are policy year loss adjustment expenses for the year stated in Column 2, evaluated as of 12/31/2004. Report loss adjustment expenses net of recoveries from underwritten title companies, reinsurance or other source.
Column 8:	Case Claim Reserves	Report the total dollar amount of any existing claim reserves at year-end 2004 for the year stated in Column 2.
Column 9:	Number of Claims Paid During Year	Report the number of claims for Column 6. These are calendar year claim counts.
Column 10:	Number of Claims Paid For Policy Year	Report the number of claims for Column 7. These are policy year claim counts evaluate as of 12/31/2004.
Column 11:	Number of Claims Reserved	Report the number of claims for Column 8. These are policy year reserve counts as of 12/31/20004.

TI - Table 6: Title Insurance Claim Detail for 2003 and 2004

In Table 6, the Department requests detailed information on claim activity in 2003 and 2004 with a list of each claim paid or reserved. The table is a list of each individual claim during 2003 and 2004 and a description of the disposition of that claim. Report multiple events on the same policy as separate claims and separate records. If you do not have a particular data element available in your claims databases, leave that column blank (empty) for that claim. Please provide as much of the requested information as you have available in your claims databases. If you have summary reports of some of the data elements which you are unable to provide in Table 6, please provide those summary reports to the Department by October 21, 2005.

You may report claims according to one of the following methods of identifying claim activity, at the discretion of the reporting company.

1. All claims for which there was claim activity of the type identified in columns 11 through 17 regardless of when the claim occurred; or
2. All claims opened between January 1, 2003 and December 31, 2004.

Please indicate in your response to the request for Supplemental Information for Table 6 which method you are using.

Column 1:	Name of Title Insurance Company	Report the complete name of the title insurance company.
Column 2:	Date Policy Issued	Report the date the policy was issued in YYYYMMDD format. For example, report May 15, 2005 as "20050515" without the quotation marks.
Column 3:	Type of Title Order Transaction	Report 1 for a new home sale other than in a subdivision or any residential resale; 2 for a new home sale only in a subdivision; 3 for a residential refinance; 4 for any other residential transaction; and 5 for all commercial and industrial activity.
Column 4:	Type of Policy	Report 1 if an owners policy issued concurrently with a lenders policy; 2 if a lenders policy issued concurrently with an owners policy; 3 if an owners policy issued <u>without</u> an accompanying lenders policy; 4 if a lenders policy issued <u>without</u> an accompanying owners policy and 5 for all other types of policies.
Column 5:	Type of Policy Form	Report the type of policy form. Include the following information – ALTA or CLTA; standard or expanded; owners or lenders; year policy form first available; or other description as necessary. For example, "CLTA standard owners 1990."
Column 6:	Amount of Insurance	Report the amount of insurance on the policy. Report the amount without comma or dollar signs. For example, report a liability of \$542,000 as "542000" without the quotation marks.
Column 7:	Endorsement 1	If the claim is made under coverage provided by an endorsement, please identify that endorsement using the company endorsement number provided in the supplemental information for Table 4.
Column 8:	Endorsement 2	If the claim is made under coverage provided by multiple endorsements, please identify the second endorsement using the company endorsement number provided in the supplemental information for Table 4.

Column 9:	Endorsement 3	If the claim is made under coverage provided by multiple endorsements, please identify the third endorsement using the company endorsement number provided in the supplemental information for Table 4.
Column 10:	ALTA Risk Code	Report the type of claim using the American Land Title Association Risk Codes, February 2002 edition. Please refer to the ALTA website link.
Column 11:	Claim Denied	If the claim was denied, please report the reason for denial.
Column 12:	Amount Paid	Report the dollar amount paid on this claim to date.
Column 13:	Amount Reserved	Report the dollar amount of any claim reserve at year-end 2004 established for this claim.
Column 14:	Loss Adjustment Expenses Paid	Report the dollar amount of any paid loss adjustment expense associated with this claim.
Column 15:	Loss Adjustment Expense Reserve	Report the dollar amount of any loss adjustment expense reserve at year-end 2004 established for this claim
Column 16:	UTC Recoveries	Report the dollar amount of any recoveries on this claim obtained from underwritten title companies.
Column 17:	Other Recoveries	Report the dollar amount of any recoveries on this claim obtained from any source other than an underwritten title companies.

Supplemental Information for Table 6:

1. Please provide the total dollar amount of loss adjustment expenses for 2003 and 2004 not otherwise included in Table 6, representing general loss adjustment expenses not associated with individual claims.
2. Please indicate whether you will be reporting Table 6 on the basis of (1) All claims for which there was claim activity of the type identified in columns 11 through 17 regardless of when the claim occurred; or (2) All claims opened between January 1, 2003 and December 31, 2004.
3. If you have summary reports of some of the data elements which you are unable to provide in Table 6, please provide those summary reports of 2003 and 2004 California claims.

TI - Table 7: Personnel Expenses

In Table 7, the Department requests a report of personnel expenses **incurred** for California-only title insurer activity in 2004 broken out by major category of activity. Please use the activity categories in the following list:

1. Title Search / Examination – This activity includes acquisition of title and related documents from a title plant or other information source, examination and analysis of the documents and underwriting.
2. Title Plant Maintenance – This activity includes physical maintenance of a back plant and physical maintenance and updates to the current plant. This activity includes maintenance of databases and information for title and title-related documents.
3. Title Policy Issuance – This activity includes preparation and issuance of the title policy and related documents and maintenance of customer information.
4. Title Claims – This activity includes intake, processing and settling of title insurance claims.
5. General Management – This activity includes general management of the title insurance company. Do not include managers of activities specifically identified in this list. Those managers should be included with the functional activity they manage. For example, include a general counsel in this category, but do not include a lawyer dedicated to settling claims. Include human resources in the category. Include general information technology in this category – computer and network installation, maintenance and support not otherwise assigned to a separate functional category. Include any personnel devoted to developing and maintaining hardware and software for electronic access to title plant information in the Title Plant Maintenance category.
6. Customer Support – This activity includes answering questions and providing information to the title insurance company's customers or members of the public, outside of formal title search and examination and claims settlement activities.
7. Sales – This activity includes sales, business promotion and solicitation.
8. Escrow Other Than Closing – This activity includes all escrow activity other than the actual closing of the real estate transaction.
9. Escrow Closing – This activity includes the actual closing of the real estate transaction.
10. Escrow Claims Settlement – This activity includes processing and settling escrow claims.

11. Other – If none of the above categories can be used, use this code and explain the activity. If there are two or more types of "Other" activities, use codes 12, 13 and 14, as necessary.

Please include all employees, temporary/contract workers and consultants in the following reporting format. If a worker is engaged in two or more of the categories listed, please estimate the percentage of the worker's time in each of the categories and allocate the worker's personnel costs on the basis of the time percentages. Please assign administrative and other support workers to the category or categories for which the workers provide the support.

Column 1:	Name of Title Insurer	Insert the complete name of the title insurance company.
Column 2:	CDI Activity Category	Please use one of the codes from the list above to describe activity being reported.
Column 3:	Description of "Other"	If Column 2 is a code for "Other," please provide a name and description of the activity category.
Column 4:	Total Full Time Equivalent Workers	Please report the total number of full-time equivalent employees, temporary/contract workers and consultants for this category in 2004. An employee who is engaged in each of two activity categories for 50% of her time would be a 0.5 full-time equivalent in each activity category. An employee who worked in one activity for only three months of the year would be a 0.25 full-time equivalent.
Column 5:	Salary	Report the aggregate salary incurred for this activity in 2004. If a worker engaged in more than one activity, calculate the amount for that individual worker by multiplying the total salary incurred for this individual for the year by the fraction of his/her time worked in this category that was used to calculate the amount reported in Column 4.
Column 6:	Commission	Report the aggregate commission incurred for this activity in 2004. If a worker engaged in more than one activity, calculate the amount for that individual worker by multiplying the total commission incurred for this individual for the year by the fraction of his/her time worked in this category that was used to calculate the amount reported in Column 4.

Column 7:	Bonus	Report the aggregate bonuses incurred for this activity in 2004. If a worker engaged in more than one activity, calculate the amount for individual workers by multiplying the total bonus incurred for this individual for the year by the fraction of his/her time worked in this category that was used to calculate the amount reported in Column 4. <u>Include in the bonus category any amounts incurred as dividends to owners who are also employees of, or consultants to, the company.</u>
Column 8:	Employee Relations and Welfare	Report the aggregate benefits incurred to workers for this activity in 2004. If a worker was engaged in more than one activity, calculate the amount for individual workers by multiplying the total benefits incurred for this individual for the year by the fraction of his/her time worked in this category that was used to calculate the amount reported in Column 4.

Supplemental Information for Table 7

1. Please provide an organizational chart for your title insurance company that identifies the activity categories that your title insurance company uses, as opposed to the activity categories used for Table 7.
2. For each activity category, or box, in your organizational chart, please provide the total number of full-time equivalent workers – employees, temporary/contract workers and consultants – and the total personnel costs for that activity category for 2004. The total number on your organizational chart should match the total number reported in Table 7.
3. For each of the highest paid workers in your title insurance company company, please provide:
 - Position Title
 - Salary for 2004
 - Commission for 2004
 - Bonus for 2004
 - Benefits for 2004
 - Consulting Contract for 2004
 - Value of Stock Options for 2004
 - Dividends Paid for 2004 if Owner
 - Complete description of the criteria and calculation of commission and bonus

The number of employees reported depends on the amount of 2004 gross title premium for your title insurance company:

Less than \$3 million, report the 2 highest paid workers
\$3 million to \$10 million, report the 3 highest paid workers
\$10 million to \$30 million, report the 5 highest paid workers
\$30million to \$50 million, report the 7 highest paid workers
\$50 million to \$100 million, report the 10 highest paid workers
\$100 million to \$300 million, report the 15 highest paid workers
More than \$300 million, report the 20 highest paid workers

4. Please provide a list of the agencies you use for temporary / contract workers and the total amount paid to each agency in 2004.

5. Please indicate whether you will report Table 7 on a paid or an accrual basis.